

KVS ZIET CHANDIGARH

Class test : chapter1

NATURE AND SIGNIFICANCE OF MANAGEMENT

Time: 15 min

M.M-10

S.no	Questions	Marks
1	Which one of the following does not include as part of management? a) Supervisor b) CEO c) Workers d) Director	1
2	Which concept arises out of the complexities of modern technologies and diversity of tasks to be performed? a) Cooperation b) Coordination c) Specialization d) Efficiency	1
3	Gemini Circus is organizing shows internationally for the last thirty years. Their shows have been successful across the globe. Of late, their shows are not as popular as they were in the past. After analyzing, they are thinking of bringing necessary changes in their shows to gain popularity. (a) Identify which characteristics of management is reflected in above situation? (b) Which function of management is indicated here? Explain	2+2
4	Effectiveness and efficiency are two sides of the same coin.” Comment.	4

MARKING SCHEME

1.C

2.C

3.a) management is dynamic process

b) controlling

4.relation between efficiency and effectiveness

KVS ZIET CHANDIGARH

CLASS TEST : CHAPTER1&2

NATURE AND SIGNIFICANCE OF MANAGEMENT

AND PRINCIPLES OF MANAGEMENT

Time: 15 mins

M.M-10

S.NO	QUESTIONS	MARKS
1	On what basis the principles of management were derived? (a) On the basis of observation (b) On the basis of experimental studies (c) On the basis of both (a) and (b) (d) None of these	1
2	Explain the following principles of general management: (a) Subordination of Individual interest to General interest; (b) Authority and Responsibility	3
3	Mohan always comes 1 hour late in the office and leave half an hour before the scheduled time. No penal action is taken against him. Other employees also started coming late in the office. Management is very disturbed with this and has started scolding the employees. (1) Which management principle is being violated in the given case? (2) Explain the principle. (3) Mention one probable adverse consequence of violation of the given principle	3
4	Management is regarded as an Art by some, as Science or as an inexact Science by others The truth seems to be somewhere in between.” In the light of this statement, explain the true nature of management.	3

Marking Scheme

1.(d)

2.1 1\2 marks for each principle

3.(a)Principle of equity (b) equal behavior with all workers

KVS ZIET CHANDIGARH

CLASS TEST

**NATURE AND SIGNIFICANCE OF MANAGEMENT ,
BUSINESS ENVIRONMENT , AND PRINCIPLES OF MANAGEMENT**

M.M. 10

TIME-15 minutes

s.no	Questions	Marks
1	<p>Successful organization donot achieve their goals by chance but following a deliberate process called</p> <p>1 Administration</p> <p>2 Co-ordination</p> <p>3 Management</p> <p>4 Controlling</p>	1
2	<p>‘A petrol pump needs to be managed as much as a school or hospital ,’ which characteristic is highlighted here ?</p>	1
3	<p>Which of the following statements is FALSE about Taylor and Fayol?</p> <p>(a) Fayol was a mining engineer whereas Taylor was a mechanical engineer</p> <p>(b) Fayol’s principles are applicable in specialised situations whereas Taylor’s principles have universal application</p> <p>(c) Fayol’s principles were formed through personal experience whereas Taylor’s principles were formed through experimentation</p> <p>(d) Fayol’s principles are applicable at the top level of management whereas Taylor’s principles are applicable at the shop floor</p>	1

4	<p>Panchayats in our country have been given more powers to decide and spend funds granted to them by the government for welfare of villages.</p> <p>Identify the principle of management highlighted in the statement</p> <p>A. Equity</p> <p>B. Centralisation and decentralisation</p> <p>C. Authority and Responsibility</p> <p>D.Espirit De corps</p>	1
5	<p>Determination of the economic policies is for the purpose of regulating _____ .</p> <p>(a) Political Environment (b) Social Environment</p> <p>(c) Legal Regulatory Environment (d) Economic Activities</p>	1
6	<p>One shirt made from Chinese cotton by workers in india and sold in U.Sis an example of what ?</p> <p>1 Privatisation</p> <p>2 Globalisation</p> <p>3 Liberalisation</p> <p>4 Demontization</p>	1
7	<p>Privatisation means</p> <p>1 Integration among economies</p> <p>2 Reduced government control</p> <p>3 Policy of planned disinvestment of the public sector</p> <p>4 None of the above</p>	1
8	<p>As per the directions issued by the Supreme Court, the government passed an order to ban the sale of tobacco products within the area of 200 meters of all educational institutions as:</p> <p>1. Its consumptions injurious to health.</p>	3

	<p>2. People are becoming more conscious about health and fitness. This indicates the government's attitude towards this business.</p> <p>Identify the business environment under three different dimensions by quoting from above paragraph.</p>	
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Marking scheme

CLASS TEST

NATURE AND SIGNIFICANCE OF MANAGEMENT, BUSINESS ENVIRONMENT, AND PRINCIPLES OF MANAGEMENT

1	Ans 1	1
2	universal	1
3	Ans b	1
4	Ans.B (A)	1
5	(d) Economic Activities	1
6	2 Globalisation	1
7	Ans c	1
8	<p>Ans. The various dimensions of business environment being referred to the in the above case are as follows:</p> <p>1. <i>Legal Environment:</i> "As per the directions issued by the Supreme Court."</p> <p>2. <i>Political Environment:</i> "The government passed an order to ban the sale of tobacco products within the area of 200 meters of all educational institutions."</p> <p>3. <i>Social Environment:</i> "Its consumption is injurious to health and people are becoming moreconscious about health and fitness."</p>	3

KVS ZIET CHANDIGARH

CLASS TEST

NATURE AND SIGNIFICANCE OF MANAGEMENT,

BUSINESS ENVIRONMENT, PRINCIPLES OF MANAGEMENT AND PLANNING

M.M. 15

TIME-25minutes

S.NO	QUESTIONS	MARKS
1	Match the following 1 Top level a interpration implementation 2 Middle level b day to day activities 3 Supervisory level c policy formulation	1
2	Mohan a manager does not distribute the work amongst his subordinates either according to capability .Which principle of management is ignored here	1
3	Demonetization is not a tax administration measure. True or false	1
4	Liberalization means 1 integration among economies 2 reduced government control and restrictions 3 policy of planned disinvestments	1
5	Efficiency in routine decisions can be enhanced by	1
6	Two year ago, Madhu completed her degree in food technology. She worked for sometime in a company that manufactured chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated an action plan to achieve the same. One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices, etc. will be	4

	<p>purchased on three months credit from farmers cultivating only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided that exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Madhu informed Mohan about her area wise sales target for different products for the forthcoming quarter. While working on the production table, a penalty of Rs. 100 per day for not wearing caps, gloves and apron was announced.</p> <p>Quoting lines from the above paragraph identify and explain the different types of plans discussed.</p>	
7	<p>During partition, Kundan Lal came to Mumbai from Lahore with a lot of wealth. Keeping in view his innate ability to visualize and create things, he decided to work as a junior assistant in a film studio. Over a period of time, as he gained experience and his work was well acclaimed, he decided to set up his own film studio. Initially he was himself looking into every aspect of the business, but as his work increased manifolds and his own productivity reduced with age, he hired Jummy as manager. Jimmy being immature in his work started giving bookings for the studio haphazardly. He would never decide anything in advance or do any kind of forecasting of events. This led to lot of confusions and conflicts. As a result, the goodwill earned by Kundan Lal over the years began to decline.</p> <p>In context of the above case:</p> <ol style="list-style-type: none"> 1. Identify and explain the function of management which Jimmy failed to perform by quoting lines form the paragraph. 2. Describe briefly any two features of the function of management as identified in part (a). 	6

Marking scheme test 2

MARKING KEY

CLASS TEST chapter 1 ,2 3 and 4

M.M. 15

TIME-25minutes

1	Ans. 1 (c), 2(a) 3 (b)	1
2	Ans division of work	1
3	Demonetization is not a tax administration measure. True or false	
4	Ans 2 reduced government control and restrictions	1
5	Efficiency in routine decisions can be enhanced by	1
6	<p>Ans.</p> <p>The different types of plan discussed above are listed below:</p> <p><input type="checkbox"/> Objectives: “One of her objectives was to earn 10% profit on the amount invested in the first year.”</p> <p><input type="checkbox"/> Policy: “It was decided that the raw materials like fruits, vegetables, spices, etc. will be purchased on three months credit from farmers cultivating only organic crops.”</p> <p><input type="checkbox"/> Method: “The exact manner in which the production activities are to be carried out.”</p> <p><input type="checkbox"/> Procedure: “She also decided to follow the steps required for marketing of the products through her own outlets.”</p>	4

	<input type="checkbox"/> Rule: “While working on the production Table, a penalty of Rs. 100 per day for not wearing caps, gloves and aprons was announced.”	
7	<p>Ans.</p> <p>1. Planning is the function of management which Jimmy failed to perform. Planning is deciding in advance what to do, how to do, when to do and who has to do it. It is one of the basic managerial functions. Thus, it involves setting objectives and developing an appropriate course of action to achieve those objectives.</p> <p>2. The two features of the planning function of management are as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Planning is pervasive: <input type="checkbox"/> Planning involves decision-making: 	6

KVS ZIET CHANDIGARH
Cumulative Test (Chapter 1 to 5)
Class 12th Business Studies

Time: 25 Min.

Max Marks :15

S/No.	Questions	Marks
1.	<p>Which one of the following sequence of process of management is correct:</p> <p>(a) Planning, Controlling, Organising, Staffing (b) Staffing, Planning, Organising, Controlling (c) Planning, Organising, Staffing, Controlling (d) Organising, Planning, Staffing, Controlling</p>	1
2.	<p>Which of the following is included in the Micro Environment (Operating Environment)?</p> <p>(a) Suppliers (b) Competitor (c) Suppliers and Competitor (d) Economic Environment</p>	1
3.	<p>What are three difference between policy and procedure?</p>	3
4.	<p>Just after declaration of Demonetization of Rs 500 and Rs 1,000 notes the economy of the nation was hit strongly. There was a dearth of currency in the entire nation which further led to online(cashless) transactions bringing transparency in the operations. Identify & Explain the dimensions of the Business environment discussed above.</p>	3
5.	<p>The principles of Taylor and Fayol are mutually complementary. On believed that management should share the gains with the workers, while the other suggested that employees" compensation should depend on the earning capacity of the company and should give them a reasonable standard of living. Identify and explain the principles of Fayol and Taylor referred to in the above paragraph.</p>	3
6.	<p>“Authority can be delegated, but accountability cannot”. Comment.</p>	4

KVS ZIET CHANDIGARH
Cumulative Test (Chapter 1 to 6)
Class 12th, Business Studies

Time: 45 Min.

Max Marks:20

S/No	Questions	Marks
1	Policy formation is the function of which level of management?	1
2	What principle of management is violated if an employee gets orders from more than one superior? (a) Unity of command (b) Unity of direction (c) Division of work (d) Scalar chain	1
3	Which of the following does not characterize the business environment? a) Uncertainty (b) Employees (c) Relativity (d) Complexity	1
4	“No smoking is an offence” is an example of which type of plan?	1
5	State the essence of authority.	1
6	Name the method of training in which the trainee learn under the guidance of a master worker.	1
7	After finishing her BBA degree course, Tanya gets a job of Assistant Manager in a retail company through the reference of her cousin, Taruna who works in the same company as a Senior Manager. Taruna decides to guide Tanya through her experience by making her aware of the important facts about management in practice. She tells her that neither the principles of management provide any readymade, strait jacket solutions to all managerial problems nor they are not rigid prescriptions, which have to be followed absolutely. In context of the above case: 1. Identify the two features of principles of management mentioned in the above paragraph by quoting lines from the paragraph. 2. Why do the principles of management not provide readymade, strait jacket solutions to all managerial problems?	3
8	Eco-friendly products are gaining power as the consumers' awareness about environmental issues has increased over the years and they are conscious about choosing products that do not have adverse effects on the environment. They are now more conscious about the carbon emission and climate change effects, and want themselves to be, seen as a green advocate among their peers. In such a scenario, it has become a challenge for the companies as they have to not only meet the needs of the consumers but also ensure that their products are safe and environment friendly. As a result, there is growing need for better and advanced	3

	<p>technologies to works as a catalyst in this regard.</p> <p>1. Describe briefly any three points which highlight the importance of business environment and its understanding by managers.</p>	
9	<p>Mohan Industries is a company dealing in Cosmetics. The company wants to diversify its operations to improve its growth potential and increase its ranking in the market. After the discussion in the meeting of the key managerial personnel, the managing director decided to add health drinks and medication products as a new line of business activity.</p> <p>a) Name the framework, which the diversified organization should adopt, to enable it to cope with the emerging complexities. Give one reason to support your answer.</p> <p>b) State two limitations of this frame work</p>	4
10	Discuss any two sources of internal recruitment and external recruitment.	4

KVS ZIET CHANDIGARH
CUMULATIVE TEST
CHAPTER 1 -7

Q1	Which organizational structure better facilitates growth and expansion	1
Q2	Hero Ltd's target is to produce 20,000 shirts per month at a cost of Rs.150 per shirt. The production manager could achieve this target at a cost of Rs.170 per shirt. Do you think the production manager is efficient? Give reason in support of your answer.	1
Q3	"Planning eliminates changes/uncertainties". Do you agree? Give reason in support of your answer.	1
Q4	Trainee is put under the guidance of a master worker to acquire a higher level of skill. Identify the method of training.	1
Q5	Why is business environment called Dynamic?	1
Q6	'Accurate cause and effect relationship can not be established by Principles of Management.' Why?	1
Q7	It refers to the way in which urges, drives, desires, aspirations, strivings or needs direct control and explain the behaviour of human beings. Which element of directing is indicated here?	1
Q8	For the last three years, Elpis Technology Solutions p(Ltd.) is not functioning smoothly and systematically. The relations between management and employees are becoming bitter day by day. After a complete analysis, it was observed that employees are not working effectively and efficiently and management is not fulfilling its commitment of increments and promotions, i. Which management principle is being ignored in the given case? ii. Can the problem be solved if only management becomes serious in fulfilling its promises? What should be the appropriate course of action to achieve smooth and systematic functioning of Elpis Industries?	3
Q9	Home Creations Ltd is a well-known chain of large department store offering various types of products under one roof. The company owns fifty stores in various parts of the country. Each store is placed under the charge of a manager who is allowed to run their stores autonomously by deciding about the products which may be promoted, the appointment of staff, ways to handle customer complaints etc. As these managers have a deeper knowledge of the local situations, it enables them to take these decisions effectively keeping in view the local circumstances and consumers' needs. This approach helps to improve customer service and at the same time serves to boost morale and increase the job satisfaction of the store managers as it empowers them to innovate and use their initiatives. a. Identify the policy followed by 'Home Creations Ltd.' to run their stores successfully. b. Also, give any three points highlighting the importance of the approach followed.	4
Q10	Explain with example the various styles of leadership.	6

KVS ZIET CHANDIGARH

CUMULATIVE TEST		
BUSINESS STUDIES – XII		
CHAPTER 1-8		
TIME ALLOWED – 20 MINS	MAX.MARKS - 20	
1	Name the management function which is known as management in action.	1
2	Which of the following foreman is not production incharge? a)Speed Boss (b) Repair Boss (c) Route clerk (d) Inspector	1
3	Which is not the disadvantage of demonetization? (a) disruption of trade (b) panic among people (c) slowdown of economic growth (D) black marketing.	1
4	End result of organisation seeks to achieve A objective b strategy C rule D Policy	1
5	Delegating necessary authority is the last step of organising process. (true/false)	1
6	Name the need in which employee desires self respect, recognition and status.	1
7	When the deviations between the actual and planned performance are not beyond prescribed limits (a) A major corrective action is required (b) A limited corrective action is required (c) No corrective action is required (d) None of these	1
8	Nowadays the market offers a lot of opportunities to the marketers as the customer's income is rising. People have developed a taste for better quality products even though they may have to pay more, their aspiration levels have increased. A) Which dimension of business environment is being referred to? B) State one more dimension of business environment with example..	3
9	The India pharmaceutical industry has realised that the different types of bacteria have become resistant to the existing antibiotics. To ensure that this may not lead to major medical issues in future, they have started working on this issue. If things go as anticipated, then a new antibiotic for such bacteria based upon Made in India compound would hit the market by 2023. (a) Which function of management is being performed in the given situation? (b)Discuss its importance (any 3)	3
10	Example Pvt. Ltd. is an organisation which is governed by people who are egoistic and consider themselves as the most intelligent. All the suggestions made by the workers are not even attended which has resulted in many strikes during last couple	5

	<p>of months. The result is lack of productivity. However recent reports from the organisation say that there is a training module going on for the employees so that their individual development can take place to the maximum. Some training modules are thought of being implemented. This may take the organisation out of its current bad performance. This training module which is now to be followed at the main branch will be later given a uniform format and will be applied to all branches of the organisation.</p> <p>A) Identify the principal of management which is violated initially and the principle of management which is followed later on.</p> <p>B) Which concept of management is discussed in the last part of the above case with quoted line?</p>	
11	<p>A company which had been in the business of manufacturing decorative lamps. Suddenly, it started facing the problem of high employee turnover. Mr Teja the human resource manager identify that employees were not getting sufficient time to interact with each other and there were too many restrictions on them also. So he found that the employees felt that their work is not given due recognition due to which they do not feel like working there to retain the efficient employees and to keep them on high spirit. Mr Teja the human resource manager form a WhatsApp group including all the employees. Every month, Mr. Faizabad post the name of the Employee of the month in the group and everybody posted their comments in praise of the employee. They are also free to discuss their other issue in the group that created the climate where they develop faith and respect for each other as per the Maslow's need hierarchy theory.</p> <p>A. Which needs of employees were not satisfied in the organisation?</p> <p>B. State by quoting the relevant lines which incentives were used by Mr Teja to motivate the employees. Also state its types.</p> <p>C. Also explain any one incentive of the type identified above in (b).</p>	5
12	<p>Explain the relationship between planning and controlling.</p> <p style="text-align: center;">OR</p> <p>K and K Company Limited is engaged in manufacturing machine components. Their average production is 200 units daily. The company has been successful in attaining the target until two months ago. Over the last few months it has been observed that daily production varies between 150 to 170 units. They had identified the following causes of deviations</p> <ol style="list-style-type: none"> 1 defective raw materials 2.obsolete machinery 3 breakdown of Machines 4. Lethargy of workers 5 Poor working conditions <p>A) What corrective action should the company take to remove these deviations?</p> <p>b) Also name the step at which the above causes of deviations were identified.</p>	6

KVS ZIET CHANDIGARH
Cumulative Test
Class XII
Financial Management

M.M 10

Time 20 minutes

1	What is dilution of control ? How can a company avoid dilution of control ?	1
2	The directors of a manufacturing company are thinking of issuing Rs. 50 crores worth additional Debentures .What are the risk involved in it ?What factors other than that you think the directors should keep in view before taking the decision? Name any four factors.	3
3	<p>‘Mudgil Ltd.’ is a company manufacturing cotton yarn. It has been consistently earning good profits for many years. This year too, it has been able to generate enough profits. There is availability of enough cash in the company and good prospects for growth in future. It is a well managed organization and believes in quality, equal employment opportunities and good remuneration practices.</p> <p>It has many shareholders who prefer to receive a regular income from their investments.</p> <p>It has taken a loan of Rs. 40 lakhs from IDBI and is bound by certain restrictions on the payment of dividend according to the terms of loan agreement.</p> <p>The above discussion about the company leads to various factors which decide how much of the profits should be retained and how much has to be distributed by the company.</p> <p>Quoting the lines from the above discussion identify and explain any four such factors.</p>	6

KVS ZIET CHANDIGARH

Cumulative Test

Class XII

Financial Management and Financial Market

M.M 15

Time 30 minutes

1	<p>Which of the following instrument is used as an alternative to bank borrowings for large and credit worthy companies?</p> <p>A) Certificate of deposit B) Commercial Paper C) T-Bills D) Call Money</p>	1
2	<p>Ajay Ltd. is thinking to modernize its Plant and Machinery. It would require a huge expenditure. Mr. Bindal, Finance Manager of the company has to estimate how much funds would be required and also from where to raise these funds. Mr. Bindal wants that the funds should be available at just the right time. The profits of the company are high and cash flows of the company were very stable despite the fact that the economy is in a bearish phase. The management has asked Mr. Bindal to decide the source of raising the funds however they want to retain control over the business.</p> <p>Which source should the company opt for, debt or equity. Justify your answer by giving two reasons in support of your answer.</p>	3
3	<p>Which process prepares a blue print of an organization's future preparations relating to finance? Give reasons why this process is needed?</p>	5
4	<p>A stock exchange maintains complete record of all transactions taking place in different securities every day and supplies regular information on their prices and sales volumes to press and other media. In fact, now-a-days, you can get information about minute to minute movement in prices of selected shares on TV channels like CNBC, Zee News, NDTV and Headlines Today. This enables the investors in taking quick decisions on purchase and sale of securities in which they are interested. Not only that, such information helps them in ascertaining the trend in prices and the worth of their holdings. This enables them to seek bank loans, if required</p> <p>Identify the function of stock exchange highlighted in above case and explain three other functions</p> <p>(I) Differentiate between capital market and money market on the basis of the following</p> <p>(i) Instruments (ii) Investment outlay (iii) Liquidity</p>	(3+3) = 6

KVS ZIET CHANDIGARH
CUMULATIVE TEST
CHAPTER 9 TO 11

MM: 20

TIME 30 MINS

Q.N.1	Canara bank wants to open a new branch of its bank. What is this decision called?	1
Q.N.2	Under private placement company sell securities to some selected institutions. From the following identify such institution. (a) UTI (b) All of the above (c) LIC (d) GIC	1
Q.N.3.	Accrual bond are also known as_____.	1
Q.N.4	Which of the following is not a function of marketing? (a) Product designing and development (b) Bending the customers according to product (c) Marketing planning (d) Gathering and analysing market information	1
Q.N.5	Why is marketing called a social process?	1
Q.N.6	Differentiate between the two segments of financial market on the following basis: (1) Meaning (2) Expected return (3) Liquidity (4) duration	4
Q.N.7	What is meant by capital budgeting? State any four factors affecting fixed capital requirement of a firm.	5
Q.N.8	<p>After acquiring the necessary knowledge and skills on starting an Aloe Vera farm, Ashok wanted to be the leading manufacturer of aloe Vera products worldwide. He observed that the products were expensive as per demand of the products was more than supply. He was also keen to promote methods and practices that were economically viable, environmentally sound and at the same time protecting public health.</p> <p>Ashok main consideration was about the amount of money paid by the consumers in consideration of purchase of aloe Vera products. He also thought that competitors' prices and their anticipated reactions must also be considered for this.</p> <p>After gathering and analysing information and doing correct marketing planning, he came to know that the consumers compare that value of a product to the value of money which they are required to pay. The consumers will be ready to buy a product is at least equal to the value of money which they would pay.</p> <p>Since he was entering into a new market, he felt that they he may not be able to cover all costs. He knew that in the long run the business will not be able to survive unless all cost is covered in addition to a minimum profit.</p> <p>He examined the quality and features of the products of the competitors and anticipated reaction of the consumers. Considering the same he decided to add</p>	6

	<p>some unique features to the packaging and also decided to provide free home delivery of the products.</p> <p>The above case relates to a concept which is considered to be an effective competitive marketing weapon.</p> <p>In condition of perfect competition most of the firm compete with each other with this concept in the marketing of goods and services.</p> <p>(a) Identify the concept and explain the same.</p> <p>(b) Explain briefly any four factors discussed in the above case related to the concept so identified.</p>	
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KVS ZIET CHANDIGARH

CUMULATIVE TEST CHAPTER 9 TO 12

MM:30

TIME :45 MINS

Q NO	QUESTION	Marks
1	<p>Identify the type of financial market in the following case:</p> <p>1. The value of securities issued by a company is low. It has not set up a huge financial outlay. Mr. Manuj has purchased 100 units of shares with the value of ₹8G each. Though he has small savings yet he is able to invest money in this financial market.</p>	1
2	<p>Ranger India Limited, is an automobile manufacturer in India. It makes 1.5 million family cars every year. That's one car every 12 seconds. It has a sales network of company approved retailers that spreads across 600 cities.</p> <p>In the context of above case:</p> <p>1. Identify the type of the channel of distribution adopted by the company.</p>	1
3	<p>Suman bought a box of cheese of a reputed brand from a local shopkeeper. On opening the box, she found a piece of stone in the cheese. She reported the matter to the shopkeeper who forwarded her complaint to the concerned company. Within a week, the representative of the company visited Suman's residence with an apology and as a replacement offered her a new cheese pack with four other varieties of cheese as compensation for the inconvenience to her. State the consumer right with Suman exercised.</p>	1
4	<p>Shreemaya Hotel in Indore was facing a problem of low demand for its rooms due to off-season. The Managing Director (MD) of the hotel, Mrs. Sakina was very worried. She called upon the marketing Manager, Mr. Kapoor for his advice. He suggested that the hotel should announce an offer of '3 Days and 2 nights hotel stay package' with free breakfast and one-day religious visit to Omkareshwar and Mahakaleshwar Temples. The MD liked the suggestion very much. Identify the promotional tool which can be used by the hotel through which large number of prospective pilgrimage tourists all over the country and abroad can be reached, informed and persuaded to use the incentive.</p>	1
5	<p>Meca Ltd. a reputed automobile manufacturer needs Rupees ten crore as additional capital to expand its business. Atul Jaian, the CEO of the company wanted to raise funds through equity. On the other hand the Finance Manager, Nimi Sachdev said that the public issue may be expensive on account of various mandatory and non-mandatory expenses. Therefore, it was decided to allot the securities to institutional investors.</p> <p>Name the method through which the company decided to raise additional capital</p>	1
6	<p>Manvendra always went to a specific shop to buy all consumable and non-consumable goods. In this shop, a variety of products of different brands were displayed nicely and the sales person available also gave good sales presentations if required. But this shop was quite far-off from</p>	1

	<p>his residence. His friend Annant always wondered why Manvendra wastes so much time in going to that shop whereas there were many big brand shops situated near his residence having consumable and non-consumable goods.</p> <p>Annant asked Manvendra the reason of going to that particular shop. Manvendra told that he was exercising one of his rights which he could not exercise in nearby big brand shops. State the consumer's right which Manvendra had exercised.</p>	
7	<p>Ramesh buys a financial asset from the RBI. This financial asset is an instrument of short term borrowing. He has bought it because he doesn't want to take risk and wants an assured return. This instrument is a promissory note. It is highly liquid. This instrument is also known as Zero Coupon Bond. On this instrument is written T-91.</p> <ol style="list-style-type: none"> 1. Which financial asset is indicated in the above case? 2. On whose behalf does the RBI issue this instrument? 3. Why is this instrument called as the Zero Coupon Bond? 	3
8	<p>Explain briefly any three factors which affect the choice of capital structure of a company</p>	3
9	<p>Vivo Ltd. is a company manufacturing textiles. It has a share capital of Rs. 60 lakhs. The earning per share in the previous year was Rs. 0.50. For diversification, the company requires an additional capital of Rs. 40 lakhs. The company raised funds by issuing 10% debentures for the same. During the current year, the company earned a profit of Rs. 8 lakhs on the capital employed. It paid tax @ 40%. State whether the shareholders gained a loss, in respect of earning per share on diversification. Show your calculations clearly.</p>	3
10	<p>A very famous article was published in a finance magazine. A portion of that article is present here: Financial market is not a usual market where you buy commodities but a special place where one can have all the necessary information about the different securities traded in the market. The buyers on the one hand get to know about the securities and they get a place where securities are sold helping reduce the wastage of time, effort and money. The financial experts say otherwise the job of the people involved in the securities transactions would have been really difficult. Securities get a buyer on the one hand and the seller on the other hand on a common platform—this helps in easy conversion of securities into cash. In the economies where there is no stock exchange the funds remain blocked. The money trapped in the houses should come out and flow in the economy and when they are invested in the shares of a company they have the capability to attain the maximum value. People would always like to sell securities on their own conditions. No government intervention can predict the price of securities. The stock market is a place which runs on the forces of demand and supply thus giving a security its price depending upon its demand. One wonders how the economy of a company can grow without the existence of financial market. Identify explain the functions of financial market discussed in the above case.</p>	4

11	<p>Aman, a degree holder in Entrepreneurship came to know about Piplantri Village located in Rajasthan, where in 2006 an initiative was started in which 111 trees are planted every time a girl child is born. To keep termites away from the trees the villagers have planted 2.5 million Aloe Vera plants around the trees. This has turned the village into an oasis, as the planting of trees led to higher water levels. Aman decided to visit the village to start a business unit, for the processing and marketing of Aloe Vera into juices, gels and other products. However, on visiting the village Aman found that the villagers were suffering exploitation at the hands of local merchants who were engaged in unscrupulous, exploitative trade practices like hoarding and black marketing of food products and also selling unsafe and adulterated products to the villagers. After looking at their plight, instead of a business organisation, he decided to set up an organisation for the protection and promotion of the consumer interest of the villagers. State the functions that the organisation established by Aman will be performing. (Any five points)</p>	5
12	<p>'Haryaram' is a famous chain selling a large variety of products in the Indian market. Their products include chips, biscuits, sweets and squashes. It charges a comparatively higher price than its competitors as it sells quality products. Besides, it offers regular discounts to its customers and easy credit terms to its retailers. It has five of its own retail shops. It also sells its products through various grocery stores so that the products are made available to customers at the right place, in the right quantity and at the right time. It regularly uses different communication tools to increase its sales.</p> <p>The above paragraph describes the combination of variables used by Haryaram to prepare its market offering. Identify and explain the variables.</p>	6